

Deal volume drops in aftermath of capital gains policy deadline

Commercial transaction volumes in the Lower Mainland fell significantly in the aftermath of the June 25 deadline to increase the capital gains inclusion rate.

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Commercial transaction volumes in the Lower Mainland fell significantly in the aftermath of the June 25 deadline to increase the capital gains inclusion rate, as many deals that would have transacted in the third quarter were pulled forward into the second quarter.

There were 185 commercial real estate sales in the Lower Mainland in Q3 2024, a 46.4 per cent decrease from the 345 sales in Q3 2023, [according to data from Commercial Edge](#), a commercial real estate system operated by the Greater Vancouver Realtors (GVR).

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We're now seeing transaction volumes come in significantly lower in the Q3 data as a result of closing dates having shifted ahead of the June 25 deadline, leaving a sizeable hole in the Q3 data.”

Andrew Lis, GVR Director of Economics and Data Analytics



The total dollar value of commercial real estate sales in the Lower Mainland was \$1.447 billion in Q3 2024, a 26 per cent decrease from \$1.955 billion in Q3 2023.

“In our previous release, we noted that the significant spike in commercial transaction volumes in Q2 was directly attributable to market participants expediting transactions ahead of the new capital gains inclusion rate deadline,” Andrew Lis, GVR’s director of economics and data analytics said. “Predictably, we’re now seeing transaction volumes

come in significantly lower in the third quarter data as a result of closing dates having shifted ahead of the June 25 deadline, leaving a sizeable hole in the Q3 data.

“Extrapolating from the slight upward trend in transaction volumes that began in the first quarter of 2023 however, if there had not been so many deals been pulled forward into Q2 as result of new taxation rate, it’s very likely that the Q3 data would have continued showing an upward trend in transaction volumes, signalling that the commercial market continues to recover slowly, but surely. And with a few more rate cuts in the bag and still a few more likely to come, the strength returning to the commercial market is likely to continue benefiting from this supportive tailwind.”

Q3 2024 activity by asset class

Land: There were 64 commercial land sales in Q3 2024, which is a 33.3 per cent decrease from the 96 land sales in Q3 2023. The dollar value of land sales was \$736 million in Q3 2024, a 12.6 per cent decrease from \$842 million in Q3 2023.

Office: There were 24 office sales in the Lower Mainland in Q3 2024, which is a 59.3 per cent decrease from the 59 sales in Q3 2023. The dollar value of office sales was \$53 million in Q3 2024, a 53.2 per cent decrease from \$112 million in Q3 2023.

Retail and Other: There were 48 retail (and other) sales in the Lower Mainland in Q3 2024, which is a 42.9 per cent decrease from the 84 sales in Q3 2023. The dollar value of retail sales was \$162 million in Q3 2024, a 40.6 per cent decrease from \$273 million in Q3 2023.

Industrial: There were 34 industrial land sales in the Lower Mainland in Q3 2024, which is a 63.8 per cent decrease from the 94 sales in Q3 2023. The dollar value of industrial sales was \$149 million in Q3 2024, a 74.9 per cent decrease from \$596 million in Q3 2023.

Multi-Family: There were 15 multi-family land sales in the Lower Mainland in Q3 2024, which is a 25 per cent increase from 12 sales in Q3 2023. The dollar value of multi-family sales was \$348 million in Q3 2024, a 163.8 per cent increase from \$132 million in Q3 2023.

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Owned and operated by GVR, the Commercial EDGE system includes all commercial real estate transactions in the Lower Mainland region of BC that have been registered with the Land Title and Survey Authority of British Columbia. Commercial EDGE is updated monthly based on data originating from the BC Assessment Authority.

Please note that historical data may be subject to revision as transaction records are received from the Land Title and Survey Authority of British Columbia.

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